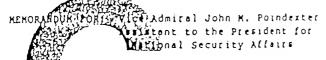
Page (s) PACE are denied in toto citing FOIA exemptions (b)(1)(b)(3).



National Intelligence Council

14 March 1986



Charles E. Allen National Intelligence Officer for Counterterrorism Director, DCI-Hostage Location Task Force

Postage Location Task Porce Report

Bighlights of this report are:

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The hostage families will recover that state and MSC representatives on Monday at the State Deptition.

Attachment: As stated

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SUBJECT: DCI-Bostage Location Task Force Report

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(b)(3)

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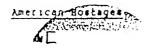
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Report by the DCI Bostage Location Task Force: 7 - 14 March 1986



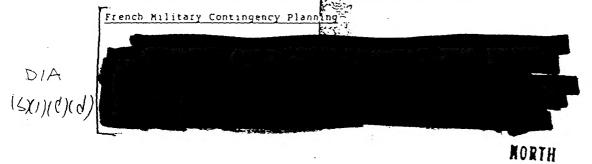
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Jour highest priority is to obtain positive confirmation of their precise location.

(b)(j)

Pamilies of Hostages

Representatives of the hostogramilies, including the two sisters of Pather Jenco, Rose Kilburn, Peggy Say, and Eric and Paul Jacobson will be in Washington on Sunday, 16 March 1986. They will participate in a church service and a candlelight vigil, and on Monday meet with State, NSC, and BLTF representatives at the Department of State.



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See Annex I for a complete update on the French hostage situation.

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Risk of Additional Bostages

Israel's continued detention of Lebanese Shia prisoners from South Lebanon substantially increases the likelihood of Shiite terrorist retaliation. The Israelis' recent sweep of South Lebanon following Bizballah's seizure in Pebruary of two IDF soldiers, resulted in at least 80 Shia being seized. Those Shia hostages have been beld at the Khiyam prison which is overseen by the IDF. According to recent press reports, some of these prisoners may have been moved to Israel for questioning.

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Israel's latest operation in South Lebanon was originally intended to secure the release of the two captured IDP soldiers

Although Israel probably intends to exchange some or all of the Shia detainee for the two Israeli soldiers, a situation similar to one in May and June 1985 has emerged between Israel and the Shia of South Lebanon. At that time, Israel had withdrawn most of its forces from South Lebanon but still beld several hundred Shia detainees. On 14 June, a group of Shia terrorists hijacked TWA Flight 847 in an effort to force the israelis to release their coreligionists. Unless Israel releases the Shia detainees soon, regardless of whether they are held inside Israel, a group of terrorists may well try to gain their release through hijackings, kidnapings, or executions.

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ANNEX I

Update on Prench Hostages

The claim last week by Islamic Jihad that it had killed one of the four Prench hostages seized in the spring of 1985 and the further kidnaping of four Prench television crewmen in Beirut on 8 March appears to have sown panic in the French government. French press reports have made it clear to the Prench public that the government has been trying to negotiate the hostages' release, and the death of Michel Seurat -- which has yet to be confirmed--would be a blow to the government's image. The new kidnapings have raised the specter of wholesale attacks on Prenchmen in Lebanon in a last ditch terrorist effort to force concessions from Paris, before the election.

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The television crew captured last week is probably being held by the Bizballah, but not necessarily the same faction led by Imad Mughniyah that holds the other Preach hostages.

Publicly, Prench officials have condemned the terrorist actions and stoutly denounced them as a transparent attempt to blackmail France,

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The Islamic Jihad, a cover name used by Hizballah elements, issued a statement to the press on Thursday asserting that, "We have not met and will not meet with any official or unofficial envoy unless we have a declared, open acceptance of our demands." The kidnapers included a videotape of the two diplomats and a journalist who were kidnaped with seurat last year and asserted that this was their last warning to Prance to meet their demands. Meanwhile the Kuwaiti press alleges that the kidnapers of the Prench television crew have been rounded up by Lebanese authorities, but we cannot confirm this claim.

STATE officials involved with the hostage crisis, C

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announced on 12 Harch that Iraq has pardoned the two pro-Iranian Iraqis deported by Prance, after Mitterrand interceded with president Saddam Husayn, according to press reports.

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In the final analysis, it is the Bizballah group led by Imao Mughniyah bolding the hostages that must be satisfied. We suspect that they will inot be satisfied with any offer that does not at least include the imediate release of all five Bakhtiaricides, and even then they might reject any deal struck by Iran and Prance.

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